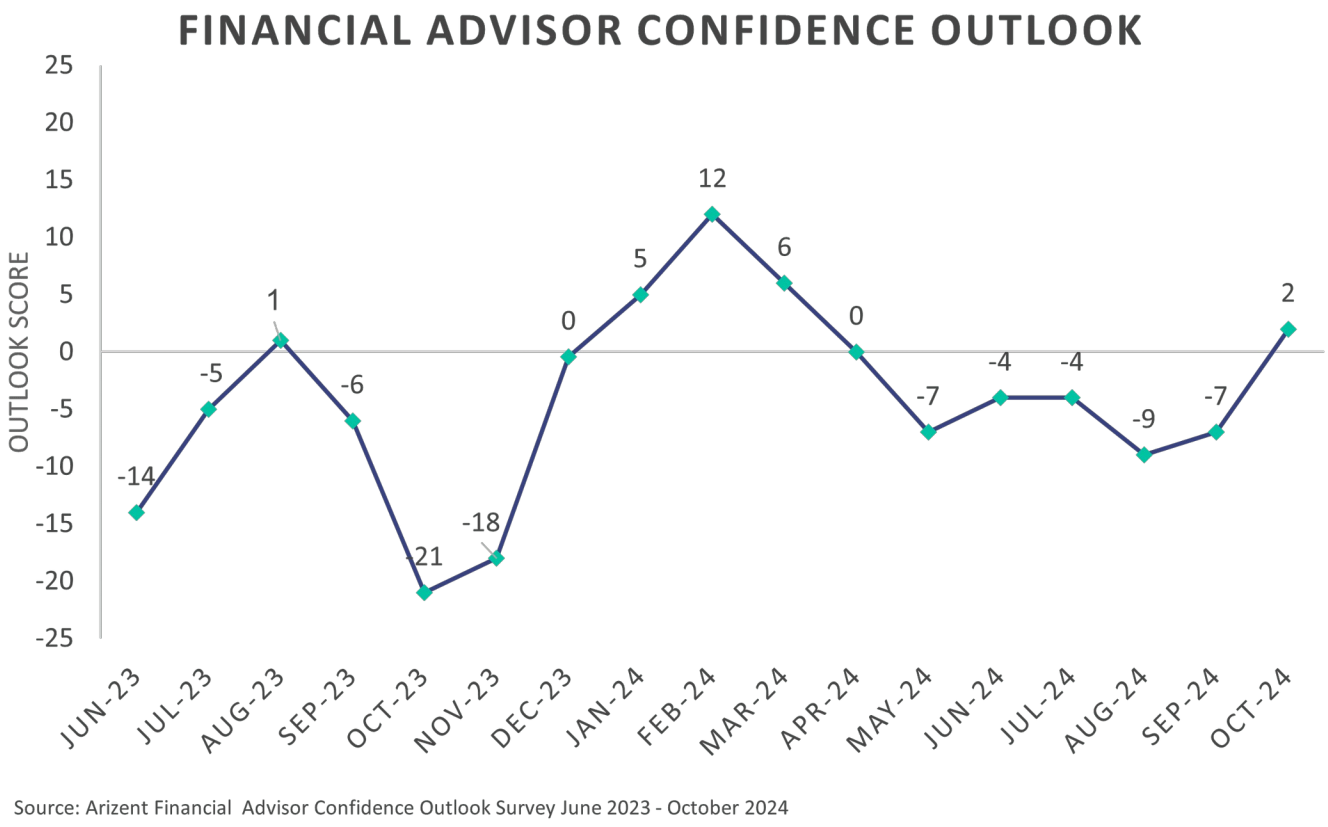
https://www.financial-planning.com/news/financial-advisor-confidence-highest-in-months-near-election

Reprinted in the November to December 2024 issue of *Financial Planning Magazine*:
https://www.financial-planning.com/digital-edition/november-december-2024

Ahead of Election Day, financial advisors' confidence highest in 6 months
By Rob Burgess
October 31, 2024, 12:11 p.m. EDT

As Election Day approaches, confidence in the U.S. economy among financial advisors has improved to its highest point in half a year.



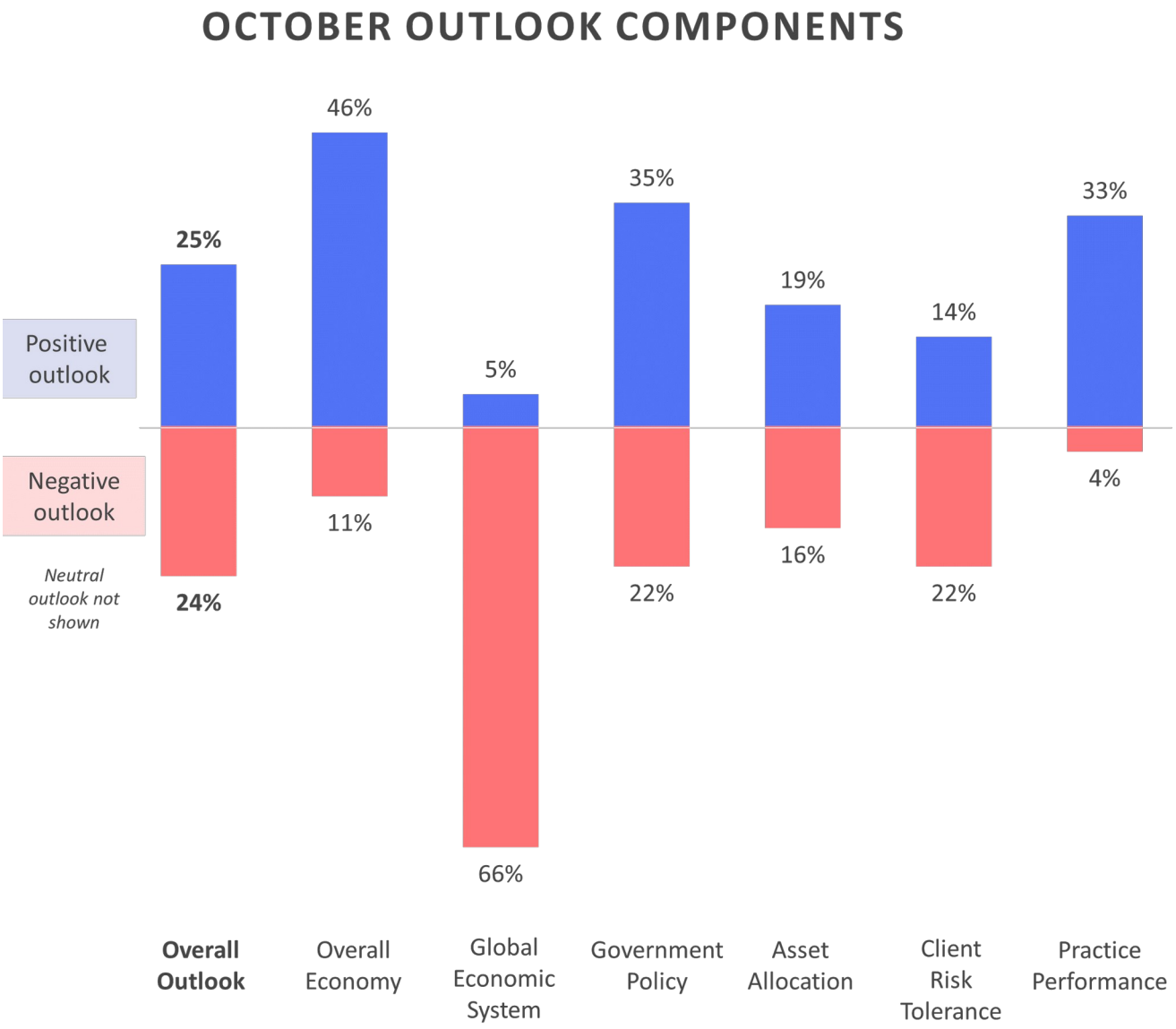
Source: Arizent Financial Advisor Confidence Outlook Survey June 2023 - October 2024

That's the overall sentiment reflected in data from this month's Financial Advisor Confidence Outlook (FACO), a survey of financial advisors and planners by Financial Planning (an Arizent brand).

Every month, FACO surveys hundreds of advisors and measures their confidence on a scale of minus-100 to 100.

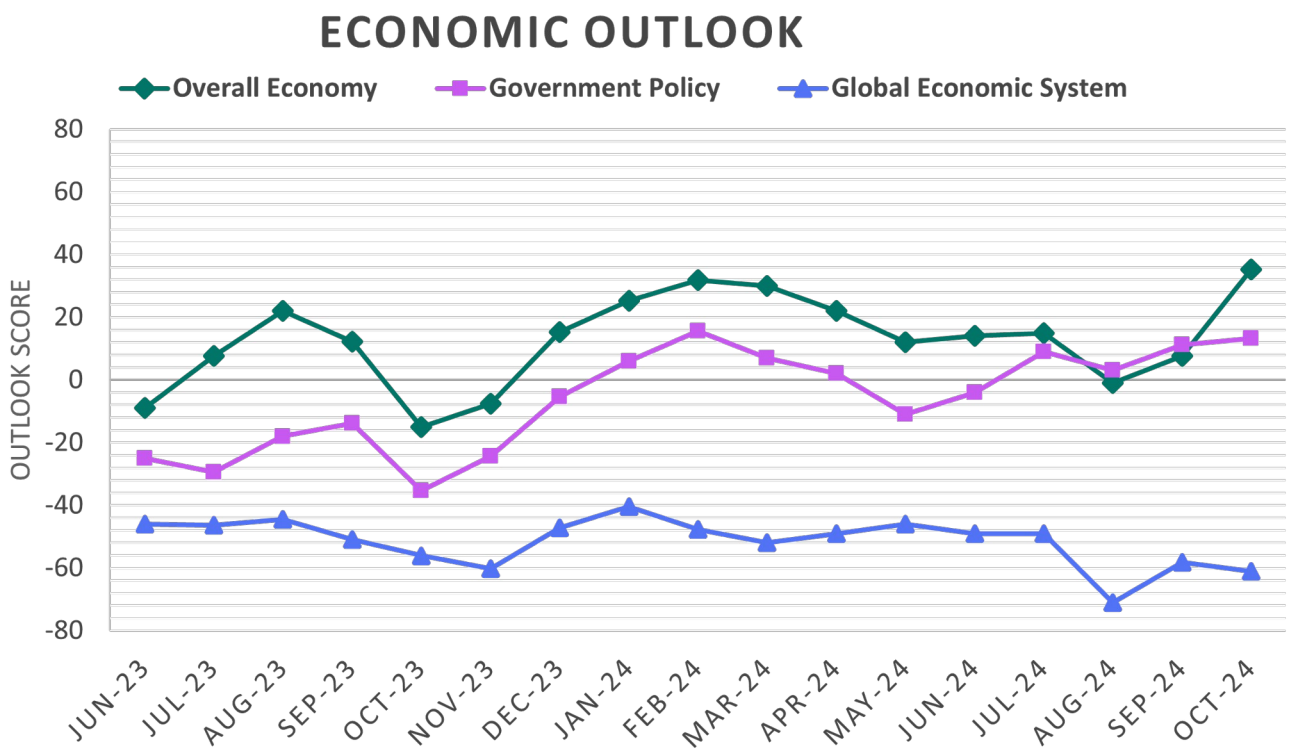
In August, that score dipped to its lowest point all year, minus-9. By September, it had improved only slightly to minus-7. But in October, it shot up to 2, a nine-

point jump.



Source: Arizent Financial Advisor Confidence Outlook Survey October 2024
Base: 227 Financial Advisors

That increase was fueled by a sharp uptick in confidence in the overall economy. In August, that had fallen to its lowest point in a year at minus-1. By September, that metric had improved to an 8. October saw a significant bounce to a 35.



Source: Arizent Financial Advisor Confidence Outlook Survey June 2023 - October 2024

However, faith in the global economic system remained low. August's all-time low of minus-71 saw only a slight improvement in September to minus-58.

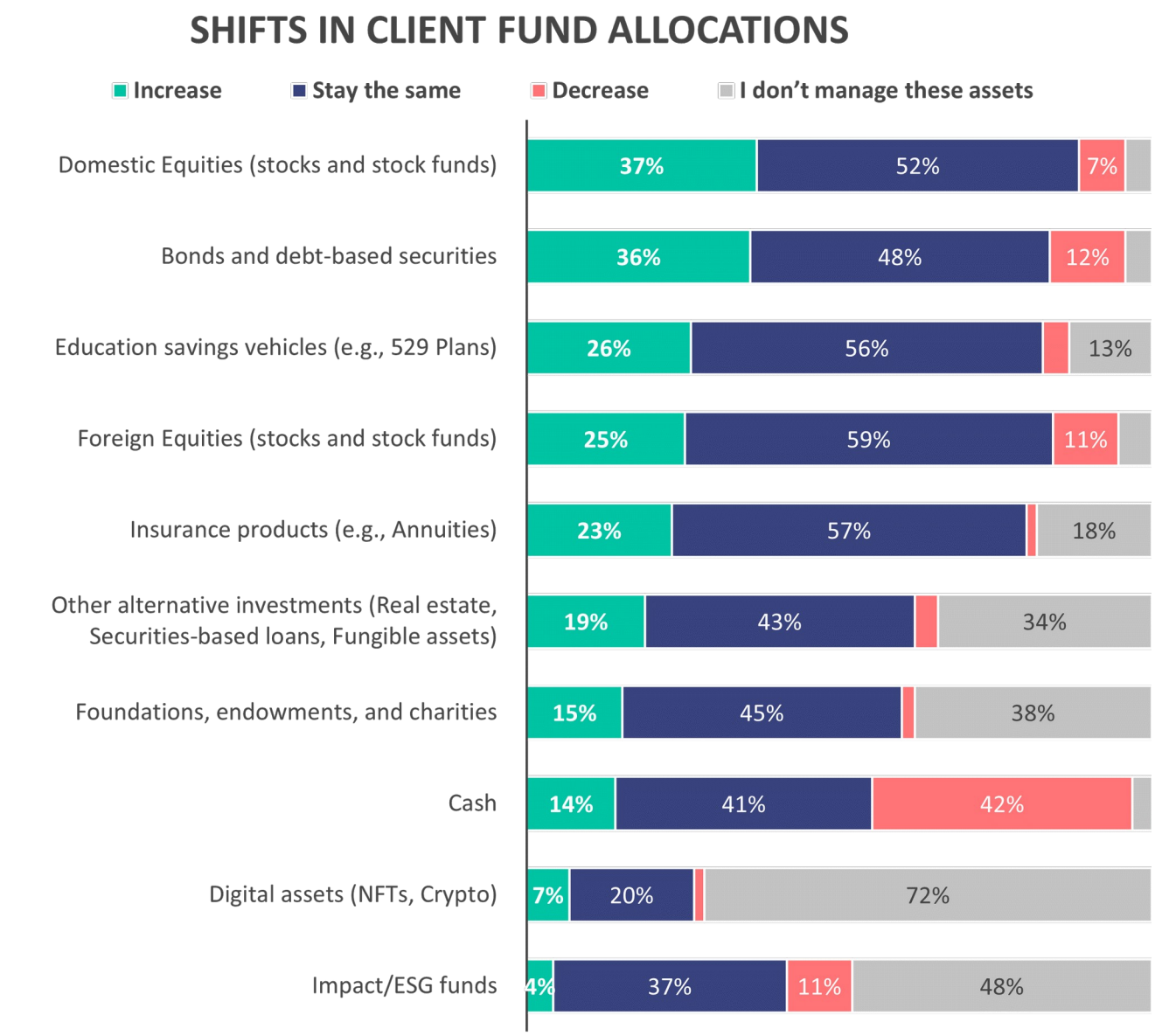
"Uncertainties in global economic policies, compounded by the war situation, may increase the difficulty of corporate financial planning," wrote one advisor.

That outlook worsened a bit in October when it fell to minus-61.

"Investor concerns about geopolitical risks may affect corporate market valuations and financing conditions," wrote one advisor.

Confidence in government policy remained somewhat steady, as it has only varied by five points over the past four months. In July, it entered positive territory at 9, improved to 12 in August, fell slightly to 11 in September and went up slightly again in October at 13.

Confidence in asset allocation saw a healthy improvement from the previous month. In September, that figure sat at minus-13, but entered positive territory in October at 3.



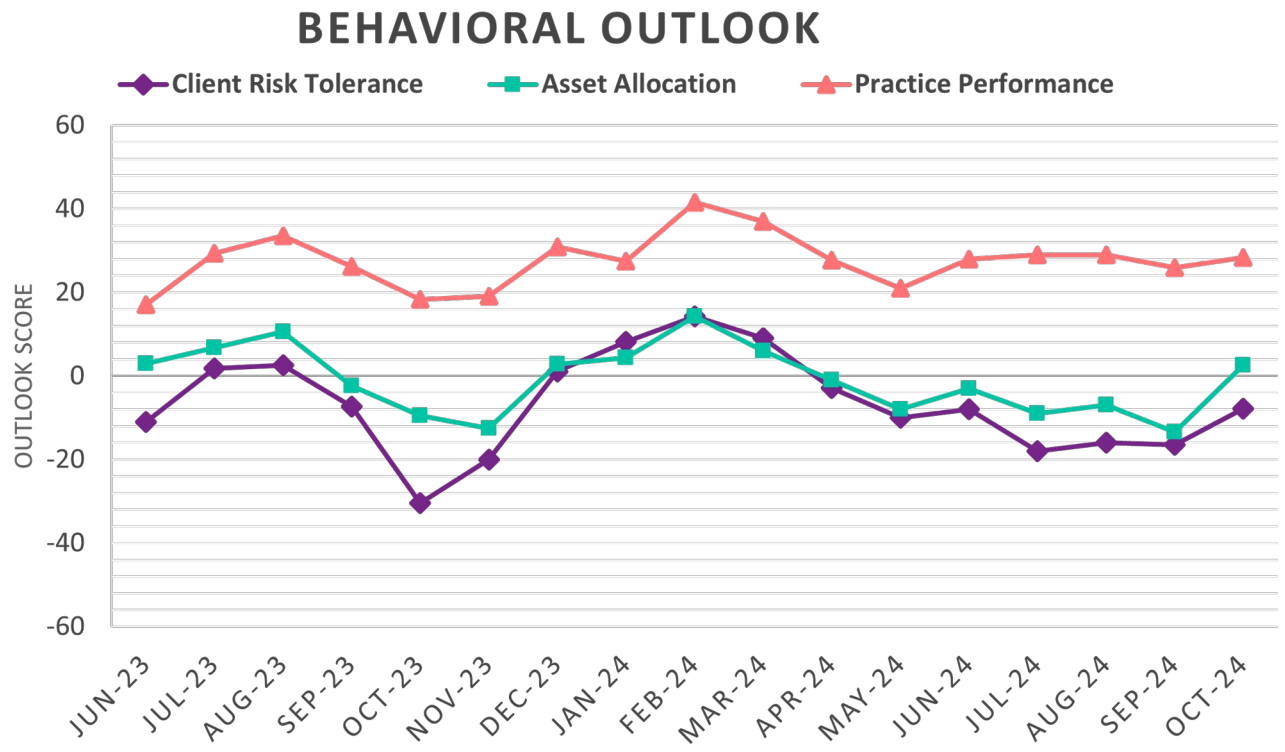
Source: Arizent Financial Advisor Confidence Outlook Survey October 2024
How do you expect the distribution of funds you manage to shift among these different asset types in the coming month? In the coming month I expect the proportional allocation of funds I manage will…
Base: 227 Financial Advisors

"Unforeseen events like weather and global instability [are] impacting supply chains and thus markets," wrote one advisor. "Otherwise, I am continuing to position clients in dividend-paying stocks and bonds to take advantage of the upcoming anticipated rate cuts."

Confidence in client risk tolerance also remained underwater but was also higher than the previous month. In September it was at minus-17, and by October it had risen to minus-8.

Confidence in practice performance also remained steady, as it went from 26 in

September to 28 in October.



Source: Arizent Financial Advisor Confidence Outlook Survey June 2023 - October 2024

Advisors reported that while they are rolling with the punches in a changing industry, they have been having to make decisions about how to best serve clients going forward.

"Customer needs are constantly changing, and expectations for customized services are getting higher and higher, requiring us to constantly adjust our service content," wrote one advisor.

Despite the increase in overall confidence, election anxiety has remained a potent force for financial advisors.

"[It's] very hard to answer these questions because it truly depends on whether or not we continue to be a democracy or we have a dictator at the helm," wrote one advisor.

Advisors reported that these concerns had also become more prevalent with clients, as well.

"Election concerns, political violence, and violence throughout the world have my clients very worried about the future of the country and world over [the next] 10-plus years," wrote one advisor.

But, advisors also said they have been taking the lead in answering client questions and addressing their worries.

"I'd say people are anxious about the election, but I provide a lot of content and reassurance and am in constant training and webinars to get good info to give them," wrote one advisor.

Though it won't come to fruition for some time, advisors said they are closely watching the election outcomes to make sense of the sun-setting of certain provisions in the 2017 Tax Cuts and Jobs Act (TCJA) at the end of 2025.

"Expected changes to corporate taxation will squeeze profits and increase consumer prices," wrote one advisor. "There will be an increase in legislation to take money from producers and redistribute that to those who produce less. International trade and the cost of domestic social programs will further strain the system, for which the government solution will be to increase taxes even further."